GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

UNSTARRED QUESTION NO:2290
ANSWERED ON:11.12.2015
Defence Procurement Procedure
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Will the Minister of DEFENCE be pleased to state:

(a) the salient features of the Defence Procurement Procedure (DPP) being in vogue at present;

(b) whether the Government has revised or proposes to revise the DPP on the lines of 'Make in India' programme and if so, the details thereof;

(c) whether the Government has undertaken measures to deal with middlemen and provide for a legal framework in this regard and if so, the details thereof;

(d) the details of the recommendations of the Expert Committee constituted for looking into the DPP 2013; and

(e) whether some concerns have been raised by certain quarters including people's representation regarding the report of the Expert Committee for amendment to DPP 2013 and if so, the details thereof and the action taken thereon?

Answer

MINISTER OF STATE (RAO INDERJIT SINGH)
IN THE MINISTRY OF DEFENCE

(a) to (e): The objective of Defence Procurement Procedure (DPP)-2013 is to ensure expeditious procurement of the approved requirements of the Armed Forces in terms of capabilities sought and time frame prescribed by optimally utilising the allocated budgetary resources. While achieving the same, it will demonstrate the highest degree of probity and public accountability, transparency in operations, free competition and impartiality. In addition, the goal of achieving self-reliance in defence equipment will be kept it mind.

The DPP-2013 covers all Capital Acquisitions, (except medical equipment) undertaken by the Ministry of Defence, Defene Services and Indian Coast Guard both from indigenous sources and ex-import. DPP-2013 provides for review of the procurement procedure after every two years. Amendments in DPP are also made from time to time as required.

The Government appointed a Committee of Experts on 1.5.2015 for amendment to DPP-2013 including formulation of policy framework to facilitate "Make in India" in Defence Manufacturing. The Committee submitted its Report to the Government on 23.7.2015. The Report includes the views and concerns of various stakeholders. The Report has been placed in the Public Domain on the Ministry of Defence website.

DPP provides for direct dealing with the Original Equipment Manufacturers (OEMs) or Authorised Vendors or Government Sponsored Export Agencies (applicable in case of countries where domestic laws do not permit direct export by OEMs). It also provides that vendor is required to give full details of any agents / technical consultants / authorised vendors that may have been appointed by them for marketing of this equipment in India. These details should include the scope of work and responsibilities that have been entrusted with the said party in India.

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